

Message Text

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ACTION STR-07

INFO OCT-01 IO-14 ISO-00 STRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FRB-01 H-02 INR-10 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05
SS-15 ITC-01 TRSE-00 ICA-20 SP-02 SOE-02 OMB-01
DOE-15 AGR-01 OIC-02 AF-10 ARA-14 EA-12 EUR-12
NEA-10 /185 W

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P 141741Z APR 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 8424

UNCLAS SECTION 01 OF 02 GENEVA 05683

USMTN

ACTION STR PASS ELECTRICALLY

STR PASS CODEL

E.O. 11652: N/A
TAGS: MTN, ETRD
SUBJECT: REPORT ON VISIT OF LABOR ADVISORS TO GENEVA,
APRIL 12 AND 13, 1978

1. SUMMARY: MURRAY FINLEY AND ART GUNDERSHEIM (ACTWU) CLOTHING AND TEXTILE UNION LABOR ADVISORS HAD VERY CONSTRUCTIVE VISIT TO MTN DELEGATION APRIL 12 AND 13. FINLEY MET WITH AMBASSADOR MCDONALD, PRINCIPAL OFFICERS, AND TALKED TO ASSEMBLED STAFF. MAIN PURPOSES OF FINLEY VISIT WERE TO: MAKE DELEGATION AWARE OF TRADE PROBLEMS IN MEN'S APPAREL INDUSTRY; FURNISH TECHNICAL ADVICE ON NEXT STAGE OF OFFER AND REQUEST MODIFICATION EXERCISE; AND DEMONSTRATE THE INTEREST OF HIS INDUSTRY IN CLOSELY
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FOLLOWING EVENTS IN THE MTN. MOST IMPORTANT ACHIEVEMENTS OF VISIT WERE: (1) LABOR VISITORS FOUND VISIT VALUABLE ENOUGH TO SUPPORT ATTENDANCE BY OTHER ADVISORS, AND GUNDERSHEIM WILL RETURN FOR PERIOD OF INTENSIVE TARIFF NEGOTIATIONS; (2) ACTWU SAW PRICE OF MEN'S APPAREL IN EUROPE AND INTENDS TO ORGANIZE AN EXPORT DRIVE IN U.S. MEN'S APPAREL INDUSTRY; (3) THE VISITORS FELT THEY WERE

ABLE TO TAKE PART IN A CONCENTRATED EXCHANGE OF VIEWS THAT IS NOT POSSIBLE IN FORMAL SETTING OF ACTN, LPAC, OR LSACS; (4) DELEGATION GAINED FIRST-HAND INSIGHTS INTO PROBLEMS OF IMPORTANT DOMESTIC INDUSTRY WITH SIGNIFICANT TRADE INTERESTS; AND (5) MUTUAL RESPECT OF DELEGATION AND LABOR VISITORS ESTABLISHED AND ENHANCED. END SUMMARY.

2. APRIL 12 AND 13, MURRAY FINLEY, PRESIDENT OF THE AMALGAMATED CLOTHING AND TEXTILE WORKERS UNION (ACTWU) AND MEMBER ACTN, LPAC, AND LSAC (CHAIRMAN) VISITED DELEGATION WITH ART GUNDERSHEIM, DIRECTOR INTERNATIONAL TRADE AFFAIRS, ACTWU AND LSAC MEMBER. THIS VISIT TO THE DELEGATION WAS REQUESTED BY FINLEY MANY MONTHS AGO THROUGH A LETTER TO AMBASSADOR STRAUSS, WHO THEN ENCOURAGED THE VISIT.

3. FINLEY AND GUNDERSHEIM WERE REPRESENTING ONLY THEIR OWN UNION (THE AMALGAMATED CLOTHING AND TEXTILE WORKERS UNION) AND APPEARED TO BE PRIMARILY INTERESTED IN MEN'S AND BOYS' APPAREL, PARTICULARLY TAILORED CLOTHING. NOTE: THE WORKERS IN WOMEN'S APPAREL ARE REPRESENTED BY THE INTERNATIONAL LADIES GARMENT WORKERS UNION AND THEIR REPRESENTATIVES ARE EXPECTED TO VISIT THE DELEGATION IN MID-MAY.

4. MURRAY FINLEY ADDRESSED THE ASSEMBLED MTN PROFESSION-
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AL STAFF. IN ADDITION, VISITORS MET INDIVIDUALLY WITH PRINCIPAL OFFICERS, INCLUDING: AMB. MCDONALD, DCM CULBERT, MCNAMARA, BALE, HARTZELL, NEWKIRK AND GRAEF.

5. IN HIS TALK TO THE STAFF (AND INDIVIDUALLY) FINLEY BEGAN BY NOTING THE OVERALL IMPORTANCE AND CHARACTERISTIC OF TEXTILE AND APPAREL WORKERS. MORE DETAILED PRESENTATION FOLLOWED ON THE EFFORTS OF THE MEN'S SUIT INDUSTRY AND UNION TO DEAL WITH ITS STRUCTURAL AND TRADE PROBLEMS. HE OUTLINED A STUDY BY JOHN DUNLOP THAT HAS LED TO A SELF HELP PROGRAM IN BASIC RESEARCH, EMPLOYEE TRAINING, AND MARKET DEVELOPMENT. HOWEVER HE STRESSED THAT STRUCTURAL IMPROVEMENTS WOULD NOT SUFFICE IF THEY DIDN'T GET A HANDLE ON IMPORTS. THE MFA BILATERALS WERE ACKNOWLEDGED AS HELPFUL, BUT FINLEY ARGUED THAT LOWERING TARIFFS WOULD RESULT IN GREATLY INCREASED IMPORTS LARGELY BECAUSE MANY QUOTAS WERE SIGNIFICANTLY UNDERFILLED AND SLIGHTLY HIGHER COST NEW SUPPLIERS WOULD ALSO BE INDUCED INTO U.S. MARKET. FINLEY PRESENTATION GAVE THE MTN DELEGATION A CLOSER LOOK AT DOMESTIC APPAREL INDUSTRY AND A GREATER APPRECIATION OF ITS PROBLEMS THAN IS USUALLY AVAILABLE TO THOSE NOT DIRECTLY INVOLVED IN THE MFA AND TEXTILE PROGRAMS.

6. DISCUSSION WITH BALE CONCERNED ECONOMIC BACKGROUND AND ESPECIALLY DUNLOP STUDY WITH WHICH BALE WAS FAMILIAR. NEWKIRK OUTLINED CODES AND FINLEY NOTED THE UNION'S EIGHT OUTSTANDING COUNTERVAILING DUTY CASES AND STRESSED THE DIFFICULTY HIS INDUSTRY WOULD HAVE OF PROVING INJURY IN SUBSIDY CASES IF SUCH A RULE WERE ADOPTED. HARTZELL PRESENTED THE SAFEGUARD AND FRAMEWORK ISSUES, ASSURING FINLEY THAT U.S. POSITION WAS TO KEEP MFA SEPARATE FROM SAFEGUARDS CODE.

7. TALKS WITH MCNAMARA AND CASSIDY WERE MOST SPECIFIC AND TECHNICALLY USEFUL OF INDIVIDUAL MEETING BECAUSE THEY ADDRESSED THE TIMELY ISSUES OF FURTHER REQUESTS FROM THE EC ON MEN'S APPAREL, ACTWU PRIORITIES FOR WITHDRAWAL FROM UNCLASSIFIED

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THE U.S. OFFER LIST, AND TIMEFRAME FOR DISCUSSIONS ON

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ACTION STR-07

INFO OCT-01 IO-14 ISO-00 STRE-00 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 FRB-01 H-02 INR-10 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-02 CTME-00 AID-05
SS-15 ITC-01 TRSE-00 ICA-20 SP-02 SOE-02 OMB-01
DOE-15 AGR-01 OIC-02 AF-10 ARA-14 EA-12 EUR-12
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FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 8425

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USMTN

ACTION STR PASS ELECTRICALLY; STR PASS CODEL

TARIFFS (WHEN ACTWU WANTS TO BE REPRESENTED IN GENEVA BY GUNDERSHEIM). FINLEY AND GUNDERSHEIM DISCUSSED THE

SPECIFIC TSUSA NUMBERS WHICH THEY WANTED WITHDRAWN FROM THE U.S. OFFER AND EXPLAINED SUCH TECHNICAL ASPECTS AS THE COMPETITIVE RELATIONSHIP OF KNIT AND WOVEN SUITS AND THEIR RELATION TO PRESENT AND PROPOSED TARIFF STATUS.

8. FINLEY COMMENTED SPECIFICALLY ON THE VALUE HE SAW IN FIRSTHAND DEALINGS WITH THE MTN DELEGATION AND INDICATED HE WOULD SUPPORT VISITS BY OTHER LABOR ADVISORS TO THE MTN.

9. AMBASSADOR'S MID-VISIT BRIEFING COVERED THE ECONOMIC AND STATISTICAL OVERVIEW OR CONTEXT IN WHICH THE GAINS OF THE MTN WERE TO BE REALIZED, NOTING THE STRENGTH OF THE ECONOMY AND BENEFITS OF EXPANDED TRADE. FINLEY AND GUNDERSHEIM RECEIVED DETAILED OVERVIEW FROM CULBERT WHO PRESENTED INFORMATION ON THE TIMING OF THE MTN AND THE UNCLASSIFIED

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OVERALL SITUATION AS IT EMERGED FROM THE APRIL 10 STRAUSS, USHIBA, HAFERKAMP MEETINGS.

10. AMBASSADOR AND FINLEY HAD PRIVATE WRAP UP SESSION TO CONCLUDE VISIT.

11. DRAFTED BY HEISE. MCDONALD

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